



House of Representatives

General Assembly

File No. 497

January Session, 2011

Substitute House Bill No. 6292

House of Representatives, April 12, 2011

The Committee on Finance, Revenue and Bonding reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE PAYMENT OF PERSONAL PROPERTY TAXES BY CERTAIN TELECOMMUNICATIONS COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section, "taxpayer" means any person that provides mobile
3 telecommunications service and is subject to taxation for personal
4 property as provided in subsection (g) of section 12-80a of the general
5 statutes. Each such taxpayer shall pay personal property tax in
6 accordance with the provisions of this section.

7 (b) Notwithstanding the provisions of section 7-383 of the general
8 statutes, for the assessment year commencing October 1, 2010, any
9 municipal tax collector may mail or deliver, in accordance with the
10 provisions of section 12-130 of the general statutes, a first installment
11 of a tax bill to a taxpayer prior to July 1, 2011. The amount of such first
12 installment shall be equal to fifty per cent of such taxpayer's total
13 assessment for property subject to taxation pursuant to subsection (g)

14 of section 12-80a of the general statutes, multiplied by the mill rate in
 15 effect in such municipality for the fiscal year commencing July 1, 2010.
 16 The tax collector shall mail or deliver the second installment of such
 17 tax bill on or after July 1, 2011. The second installment shall be equal to
 18 fifty per cent of such taxpayer's total assessment for property subject to
 19 taxation pursuant to said subsection (g) of section 12-80a of the general
 20 statutes, multiplied by the mill rate in effect in such municipality for
 21 the fiscal year commencing July 1, 2011. Any installment of a tax bill
 22 mailed or delivered pursuant to this subsection shall be due and
 23 payable and collectible as other municipal taxes and subject to the
 24 same liens and processes of collection.

25 (c) For assessment years commencing on or after October 1, 2011,
 26 such taxpayer shall be subject to tax collection under the provisions of
 27 chapters 203 and 204 of the general statutes that are applicable to all
 28 other persons subject to taxation under said chapters.

This act shall take effect as follows and shall amend the following sections:		
Section 1	from passage	New section

PD *Joint Favorable Subst. C/R* FIN

FIN *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 11 \$	FY 12 \$	FY 13 \$
Various Municipalities	Revenue Impact	2.5 million (approx) gain	2.5 million (approx) loss	None

Explanation

The bill will result in a municipal revenue gain of approximately \$2.5 million in FY 11, and a loss of approximately \$2.5 million in FY 12, from payments of taxes related to mobile telecommunications personal property attributable to the 2010 grand list. In aggregate, these payments total about \$5.0 million for all municipalities.

Prior to the passage of PA 10-171, municipalities received payments of taxes for mobile telecommunications personal property in April of each year. PA 10-171 changed the timing from April to July, making payments for the October 2010 grand list due in FY 12. This bill makes a one-time change that requires telecommunications companies to make half of the tax payment for property on the October 2010 grand list in FY 11 and the remaining half in FY 12. The table below shows the bill's impact:

Impact on Tax Payments for Mobile Telecommunications
Personal Property on the October 2010 Grand List
(\$-mil)

	FY 11	FY 12	FY 13	Total
PA 10-171	0.0	5.0	5.0	10.0
sHB 6292	2.5	2.5	5.0	10.0
Difference	2.5	-2.5	0	0

The Out Years

State Impact: None

Municipal Impact:

There is no fiscal impact in FY 13 or in subsequent years.

OLR Bill Analysis**sHB 6292*****AN ACT CONCERNING THE PAYMENT OF PERSONAL PROPERTY TAXES BY CERTAIN TELECOMMUNICATIONS COMPANIES.*****SUMMARY:**

This bill allows municipal tax collectors to bill telecommunications companies for half of the personal property taxes due in 2011, before they would otherwise be due. It allows them to mail or deliver the bill in two installments, the first one before the July 1, 2011 due date and the second on or after that date. The first installment equals half the company's 2010 assessment multiplied by the municipality's mill rate for FY 11. The second installment equals the other half of the 2010 assessment multiplied by the municipality's FY 12 mill rate. The installments are due, payable, collectible, and subject to the same liens and collection processes as other municipal taxes (i.e., payment is due 30 days after receiving the tax bill).

The bill subjects telecommunications companies to generally applicable property tax collection laws for assessment years beginning on or after October 1, 2011.

PA 10-171 eliminated the option for telecommunications companies to have their personal property taxed at a statewide mill rate, thus requiring this property to be subject to municipal assessment at the locally set rate. These changes apply to assessment years beginning on or after October 1, 2010.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute Change of Reference
Yea 20 Nay 0 (03/25/2011)

Finance, Revenue and Bonding Committee

Joint Favorable
Yea 52 Nay 0 (04/07/2011)